

117TH CONGRESS  
1ST SESSION

# H. R. 4585

To amend the Internal Revenue Code of 1986 to provide for flexible giving accounts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2021

Mr. SUOZZI (for himself and Mr. BUCHANAN) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide  
for flexible giving accounts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Everyday Philan-  
5 thropist Act”.

6 **SEC. 2. FLEXIBLE GIVING ACCOUNTS.**

7 (a) IN GENERAL.—Subsection (a) of section 132 of  
8 the Internal Revenue Code of 1986 is amended by striking  
9 “or” at the end of paragraph (7), by striking the period

1 at the end of paragraph (8) and inserting “, or”, and by  
2 inserting after paragraph (8) the following:

3 “(9) flexible giving account.”.

4 (b) FLEXIBLE GIVING ACCOUNT.—Section 132 of  
5 such Code is amended by redesignating subsection (o) as  
6 subsection (p) and by inserting after subsection (n) the  
7 following:

8 “(o) FLEXIBLE GIVING ACCOUNT.—

9 “(1) IN GENERAL.—

10 “(A) FLEXIBLE GIVING ACCOUNT.—For  
11 purposes of this subsection, a flexible giving ac-  
12 count is an account under an arrangement  
13 which is a separate written plan of an employer  
14 for the exclusive benefit of all eligible employees  
15 under which—

16 “(i) an employee may elect—

17 “(I) to receive a reduction in  
18 compensation and have the employer  
19 deposit the amount of the reduction in  
20 a flexible giving account of the elect-  
21 ing employee, and

22 “(II) before the reduction under  
23 subclause (I), to designate one or  
24 more eligible entities to which dis-

1                    contributions are to be made from the ac-  
2                    count,

3                    “(ii) the employer will not make any  
4                    reduction under clause (i)(I) unless one or  
5                    more entities have been designated under  
6                    clause (i)(II),

7                    “(iii) the employer, as soon after the  
8                    deposit under clause (i)(I) as practicable,  
9                    makes the disbursements designated under  
10                    clause (i),

11                    “(iv) the employer provides reasonable  
12                    notification of the availability and terms of  
13                    the arrangement to all eligible employees,

14                    “(v) the employer maintains a sepa-  
15                    rate flexible giving account on behalf of  
16                    each employee for whom an election is in  
17                    effect clause (i), and

18                    “(vi) the employer agrees to furnish  
19                    to each participating employee, on or be-  
20                    fore January 31 of each year, a written ac-  
21                    counting of the employee’s flexible giving  
22                    account showing deposits and disburse-  
23                    ments during the previous calendar year.

1           “(B) MAXIMUM REDUCTION.—The amount  
2 of a reduction under subparagraph (A) for a  
3 taxable year shall not exceed \$2,700.

4           “(2) ELIGIBLE EMPLOYEE.—For purposes of  
5 this subsection—

6           “(A) IN GENERAL.—

7           “(i) ELIGIBLE EMPLOYEE.—The term  
8 ‘eligible employee’ means, with respect to a  
9 flexible giving account, any employee who  
10 is not a highly compensated or key em-  
11 ployee and who is eligible to participate in  
12 the arrangement.

13           “(ii) HIGHLY COMPENSATED EM-  
14 PLOYEE.—The term ‘highly compensated  
15 employee’ has the meaning given such term  
16 by section 414(q).

17           “(iii) KEY EMPLOYEE.—The term  
18 ‘key employee’ has the meaning given such  
19 term by section 416(i).

20           “(B) CERTAIN EMPLOYEES MAY BE EX-  
21 CLUDED.—For purposes of subparagraph (A),  
22 an employer may elect to exclude under the ar-  
23 rangement described in paragraph (1) any em-  
24 ployee who—

1           “(i) has not attained the age of 21 be-  
2 fore the close of a plan year of the ar-  
3 rangement,

4           “(ii) has less than 1 year of service  
5 with the employer as of any day during the  
6 plan year, and

7           “(iii) is described in section  
8 410(b)(3)(C) (relating to nonresident  
9 aliens working outside the United States).

10           “(C) SHORTER SERVICE PERIOD; YOUNGER  
11 AGE.—An arrangement may provide a shorter  
12 period of service or younger age for purposes of  
13 subparagraph (B).

14           “(3) TAX TREATMENT OF DISTRIBUTIONS.—

15           “(A) IN GENERAL.—Any distribution from  
16 a flexible giving account shall not be includible  
17 in the gross income of the distributee.

18           “(B) COORDINATION WITH SECTION 170.—  
19 Distributions from the flexible giving account of  
20 an employee—

21           “(i) shall be treated as a charitable  
22 contribution of the employee for purposes  
23 of section 170,

1           “(ii) shall not be taken into account  
2           under section 170(a) (relating to allowance  
3           of deduction), but

4           “(iii) shall be taken into account  
5           under section 170(b) (relating to percent-  
6           age limitation).

7           “(C) IDENTIFYING INFORMATION.—No  
8           distribution shall be excluded from the gross in-  
9           come under subparagraph (A) unless the tax-  
10          payer provides on the return of tax the name  
11          and address of the entity to whom the distribu-  
12          tion is made. In the case of a failure to provide  
13          the information required by the preceding sen-  
14          tence, the preceding sentence shall not apply if  
15          it is shown that the taxpayer exercised due dili-  
16          gence in attempting to provide the information  
17          so required.

18          “(4) ELIGIBLE ENTITY.—For purposes of this  
19          section, the term ‘eligible entity’ means any entity  
20          described in paragraphs (1) through (5) of section  
21          170(c) other than a private foundation described in  
22          subsection (b)(1)(F).”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

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